

## CONNECTICUT DISTRICT OFFICE

**Release Date:** 1/25/2010

**Media Contact:** Julio Casiano (860) 240-4896

**Release Number:** CT-10-01

### **Big Increase in Connecticut SBA Loan Volume** *Small business loans up 39 percent from last year*

**HARTFORD, CT** – U.S. Small Business Administration (SBA) lending in Connecticut increased significantly in the first quarter of the federal government's 2010 fiscal year ending December 31, 2009. Compared to the first quarter of 2009, the total number of SBA loans increased 43 percent from 127 to 182 and the dollar volume of lending increased 39 percent from \$31 million to \$43 million.

The increase in the number of loans indicates positive activity within Connecticut's financial industry as banks begin to take on more loans and small businesses are finding it easier to approach lenders. The increase is also not unique to Connecticut as many other New England states are benefiting from the impact of SBA lending and the economic stimulus efforts. In Connecticut, year-to-year data shows that SBA lending contracted 29 percent in fiscal year 2009 from 2008 levels. During that period, the number and value of loans dropped from 809 loans valued at \$184 million to 576 loans valued at \$128 million.

The American Recovery & Reinvestment Act of 2009 (ARRA) signed by President Obama on February 17, 2009, provided broad reaching assistance to small businesses, including an increase in the guarantee on all loans up to 90 percent from 75-85 percent and the elimination of guaranty fees, resulting in substantial savings for small business borrowers.

Since the Act was signed, SBA nationally has supported more than \$19 billion in lending to small businesses through its two largest loan programs and seen its average weekly dollar volume increase by more than 75 percent in comparison to the weeks before the Recovery Act.

"Connecticut is a resilient state comprised of large and small banks and over the last year the Connecticut office has strived to build partnerships between financial institutions, small businesses and the SBA and it is reflective in the first quarter lending results," says Connecticut SBA District Director Bernard Sweeney. "Some banks have recently announced expanding small business lending initiatives, which is a good sign for the Connecticut economy and hope that more announcements continue to be made in the coming months. The increased activity in this first quarter of FY2010 builds on that trend and certainly affirms that money remains available to qualified borrowers."

To further assist small businesses, President Obama last month extended the ARRA fee waiver and loan guarantee provisions. Fee elimination on SBA loans means decreased costs to the small business borrower, while maintenance of the 90 percent federal guarantee to banks means a continued reduction in

risk to SBA lenders. Since the ACT went into effect, Connecticut small businesses have saved approximately \$3.2 million through fee eliminations.

A special 100-percent guaranteed, deferred-payment loan program up to \$35,000 created under ARRA, known as America's Recovery Act (ARC), has been used by 44 firms in Connecticut since June, putting an additional \$1,381,100 into the hands of small business owners.

Among SBA lenders, Webster Bank, Connecticut Community Investment Corporation, Fairfield County Bank and Peoples United Bank, reported substantial increases in lending over the prior year. Webster Bank was the top SBA volume lender in the state for the quarter with 20 loans totaling over \$3.4 million.

For more information about all of the SBA's programs for small businesses in Connecticut, call the SBA Office at (860) 240-4700 or helpline at 1-800 U ASK SBA or TDD (704) 344-6640, or visit the SBA's extensive web site at [www.sba.gov/ct](http://www.sba.gov/ct).